PMO 526
Health Systems:

Class Period #3

Managed Care and International Comparatives

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Today's Objectives

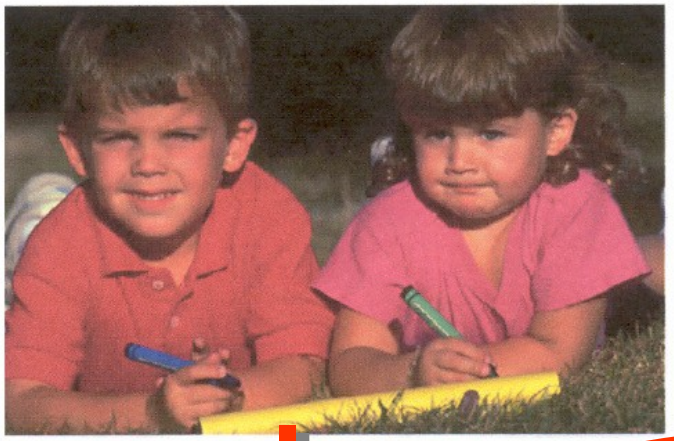
- Understand the concepts and components of managed care
- Describe the elements of population health management
- Compare health systems of other countries in terms of structure, process, outcomes, equity, efficiency and choice

USUHS
Department of Pediatrics
Grand Rounds

"Pediatric Medical Education: Cherished & Challenged"

Stephen Ludwig, M.D.

Professor & Associate Chair
Department of Pediatrics
University of Pennsylvania School of Medicine
Associate Physician-in-Chief for Education
The Children's Hospital of Philadelphia



Thursday, September 26, 2002
0745 hours
Sanford Auditorium, Building B

USUHS
4301 Jones Bridge Road
Bethesda, Maryland
301-319-8213
http://www.pedsedu.com/ay_02_03.htm

Upon completion of this lecture, the attendee will be able to:

1. Identify stresses on medical education systems;
2. Locate specific challenges to Pediatrics;
3. Analyze trends in the health work force; and
4. Appraise the role of specialization in medical practice.

The Health Care Environment

- Increasing cost of care - inflation 14+% vs 3.4% non medical
- Aging population
- Greater expectations
- Demand for high patient satisfaction
- Decreasing resources and reimbursements
- Demand for Value Purchasing by payers

Elements of Population Health

Identify/Assess the Population

Population Assessment Tools

Forecast Demand

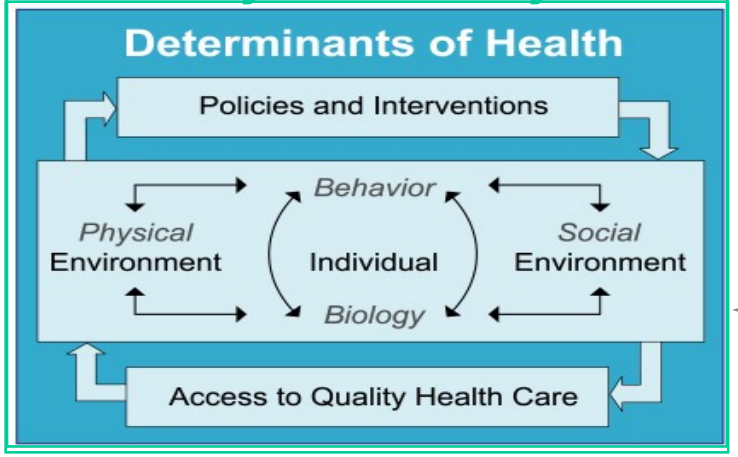
Manage Demand

System

Manage Capacity

Evidence-Based Primary, Secondary, & Tertiary Prevention

Healthy Community:



Community Outreach

Analyze Performance & Health Status

Drivers of demand forecasting include:

- **Prevalence of disease within a given population**
- **Clinical practices used to treat a given disease**
- **Health system features or operational requirements (e.g., Put Prevention Into Practice (PPIP) or operationally-defined requirements**

Demand Management

- **Primary Care Triage**
- **Self-Care Programs**
- **Panel Management**
- **Disease Management**
- **Referral Management**

Capacity Management

- **Meet needs of Empaneled Population**
- **Identification of Personnel and Staff Assets and Needs**
- **Use Best Clinical & Business Management Practices for delivery & make-buy decisions**
- **Manage People, Space, Dollars to Meet Demand**

Condition Management

- **Disease Management Registries**
- **Individual Case Management**
- **Standard Clinical Pathways and Guidelines**
- **Information Technologies and Health Risk Appraisal Feedback, Tracking**
- **Referral Management to Specialty Clinics**

Community Outreach

- **Community Public / Population Health Council**
- **Community-wide Education and Plans for Changing Risk Behaviors**
- **Integrated Community-based Public Health Services**
- **Schools, Stores & Businesses, Workplace, Recreation**

Outcomes Analysis

- Data-driven improvement
- Feedback to hands-on staff
- Use data regularly to drive next cycle

Optimizing . . .

Where we are…

- Sub Optimal Satisfaction
- Sub optimal points of access
- Fragmented
- Lack of attention to prevention

FOCUS ON DISEASE

Optimizing . . .

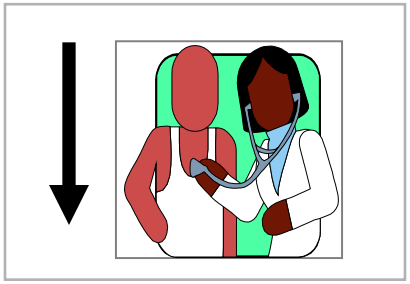
. . .To Where we want to be.

- Increase appropriate access
- Improve population health
- Ensure continuity of care
- Increase satisfaction and loyalty

FOCUS ON HEALTH

System Capacity

Demand



Pop Health Community

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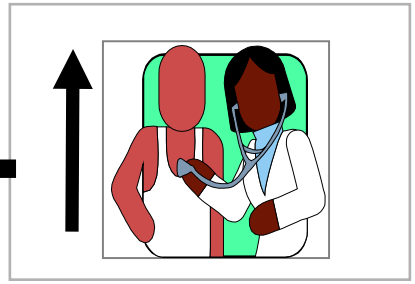
Productivity



Support Providers

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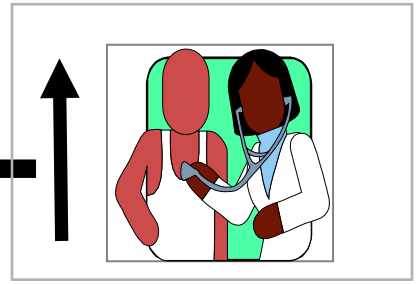
Availability



Providers/Staff Available

=

Increase Capacity

Efficiency

Cost$

Definitions:

Managed Care = a systematic attempt to deliver the right care to the right person in the right way by the right providers at the right time for the right cost.

Right Care = based on EBM (?CPGs) + QI

Right Person = system enrollees (beneficiaries)

Right Way = proper setting

Right Providers = trained and updated

Right Time = prevention & access

Right Cost = cost effective (whatever the price)

Contrasts:

Traditional Insurance:

. . . covers individuals; 'gambles' against odds of a disease occurring; defines coverage to limit outlays (limited referrals, fewer covered benefits); negotiates savings (results in cost-shifting). FFS systems run risks of *over*-treatment.

Managed Care:

. . . covers populations; attempts to provide broad coverage within (usually) limited resources. Capitated systems run risk of *under*-treatment. . . . is really health insurance and health care delivery.

Cost containment by MCOs:

- Administrative efficiency (personnel, economy of size)
- Discounts and risk-sharing
- UR & UM
- Case Management and Discharge Planning
- Choice restrictions.

HMO Models:

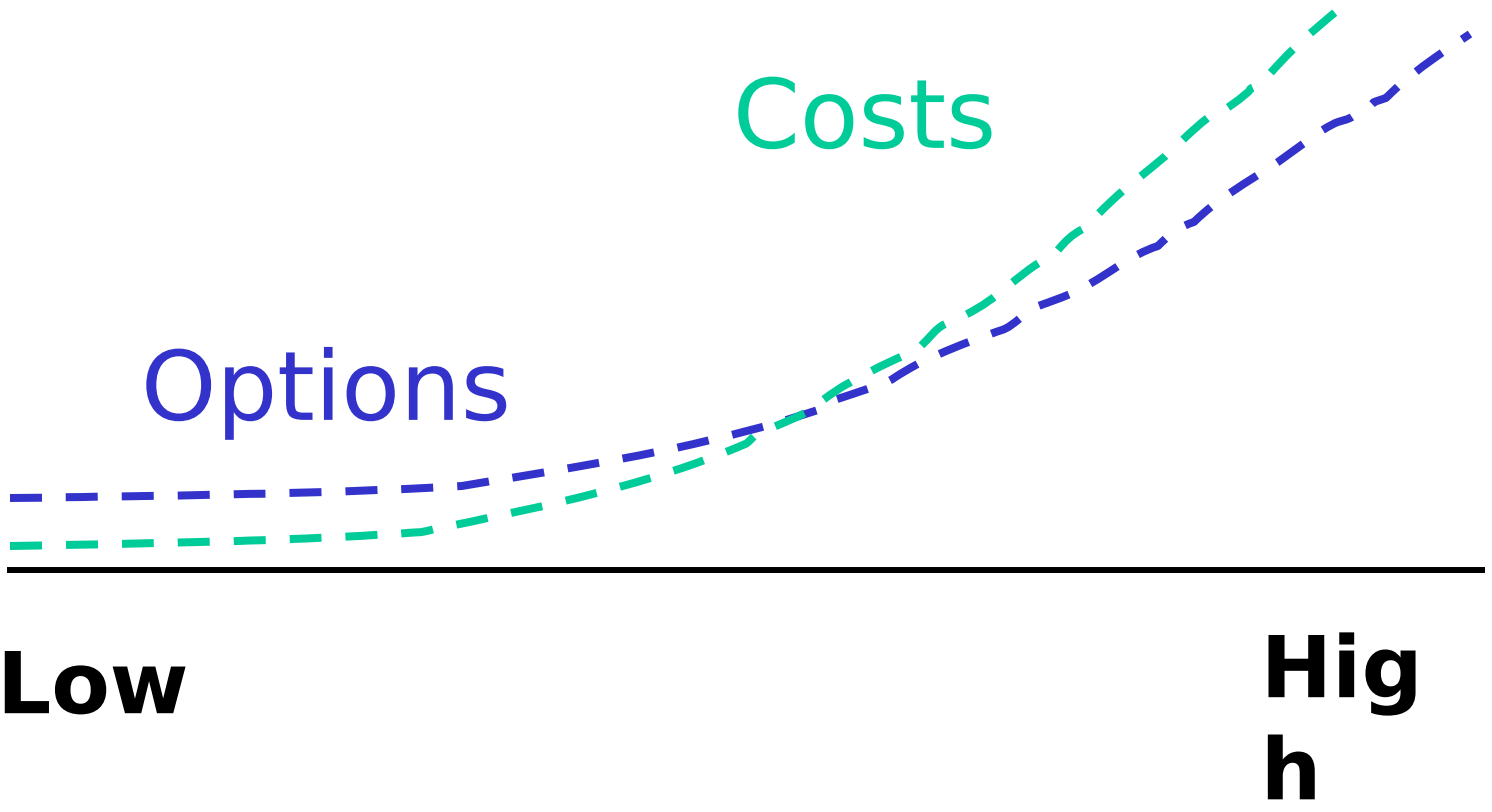
Staff Model = practitioners are salaried (Kaiser, Mayo, Department of Defense, Veterans Affairs, etc.)

Group Model = group has exclusive contract with HMO

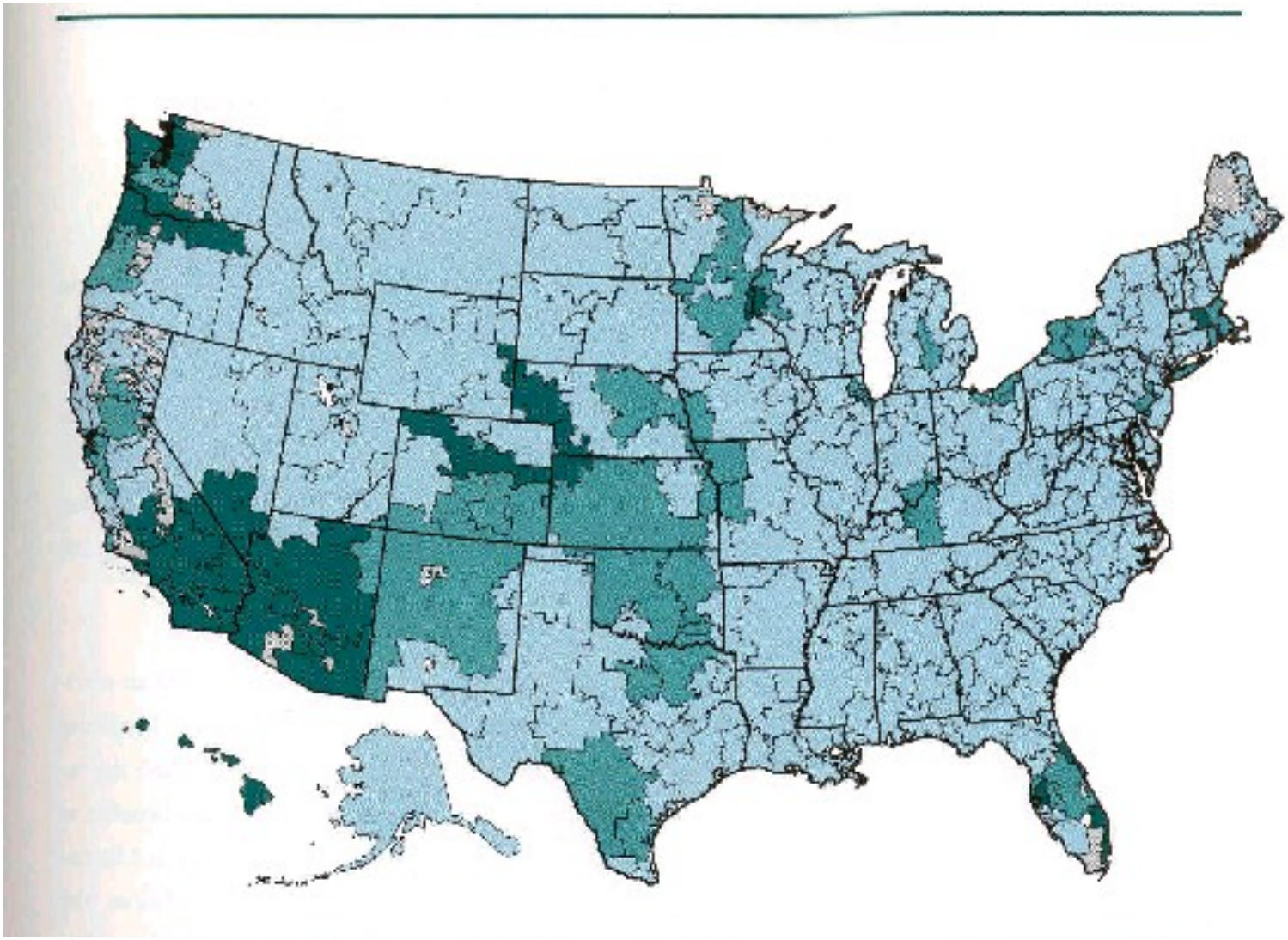
IPA Model = HMO contracts with various practitioners

Network Model = HMO contracts with many IPAs

Direct Contract = HMO contracts with groups, individuals and IPAs.



Note: Nobody offers a $6000 Mercedes



Medicare Enrollment in Managed Care Organizations